



OAKLAND UNIFIED  
SCHOOL DISTRICT  
*Community Schools, Thriving Students*

# 2019-20 Budget Reduction Plan

Presentation

January 9, 2019



:iamOUSD:

Presented by: Marcus Battle, Chief Business Officer  
To: OUSD Board of Education

# Discussion Topics

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- 1. Understanding our Deficit**
- 2. Prioritization in Budget Development**
- 3. Recommended Reduction Scenarios and Potential Impact**
- 4. Reimagining OUSD**
- 5. AB 1840**



## **Understanding Our Budget Deficit**

- What is our projected operating deficit over the next three years?
- What are the Board Fiscal Vitality Special Committee Recommendations?
- How much do we need to reduce over the next two years?

**What is our projected operating deficit over the  
next three years?**

# Expenses Outgrowing Revenue

## OUSD's Financial Challenge:

- ⇒ **Flat Revenue:** Beginning 2019-20, Unrestricted Revenue expected to flatten. OUSD enrollment predicted as mostly flat.
- ⇒ **Increased Expenses:** Like all CA Districts, the expense increases are driven primarily by:
  - STRS/PERS pension rates -
  - special education cost growth

Multi-Year Projections*				
Budget Update	2018-19	2019-20	2020-2021	Target Amount Needed for 2% or above Reserve by 20/21
Adopted Budget	2.61% Reserve	4.59% Reserve	3.18% Reserve	With \$30M in reductions beginning FY 19-20
1st Interim	2.25% Reserve	2.19% Reserve	.70% Reserve	With NO reductions & NO increase in investments
Approved 1st Interim	2.25%	2.48%	2.35%	\$15 Million in 19-20 \$28 Million in 20-21 (includes investments)

\*The state requires a 2% reserve. OUSD Board Policy requires a 3% reserve minimum as a best practice in budgeting.

# Board Directives

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## Special Committee on Fiscal Vitality Resolution

- \$30 Million in ongoing reductions starting in 2019-20\*
- Establish 3% Reserve for 2019-20 and continue to increase every year after\*

1. Implement Board of Education Budget Policy 3150
2. Redesign the District
3. Competitive Employee Compensation
4. Commit to Shared Decision Making and Multi-Stakeholder Teams

\*(see also [August, 2018 Resolution](#))

## Budget Prioritization

- What informs our budget prioritization?
- What are we committed to not reducing?
- What is our vision for a central office redesign?

# **What informs our budget prioritization?**

# Our Mission and Vision Ground Us

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**Mission:** To become a **Full Service Community District** focused on high academic achievement while serving the whole child, eliminating inequity, and providing each child with excellent teachers, every day.



**Vision:** All OUSD students will find joy in their academic learning experience while graduating with the skills to ensure they are caring, competent, fully-informed, critical thinkers who **are prepared for college, career, and community success.**

**Quality - Equity - Access - Fiscal Sustainability**

# Our Theory of Action and Policies Guide Us

## OUSD VISION & MISSION

*Where are we going and why?*

## THEORY OF ACTION

*How will we get there?*

### ORGANIZATIONAL RESILIENCE

Teacher Retention &  
Recruitment

Leadership Development/  
School Governance

BP 5032 Equity Policy

### QUALITY COMMUNITY SCHOOLS

BP 6006: City Wide Plan

BP 6005: Quality School  
Development

LCAP: Differentiated Assistance

### FISCAL VITALITY

Fiscal Vitality Plan

AB 1840/AB1200

BP 3150

# Stakeholder Input Informs Us

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## Input Highlights

**Students (All-City Council):** Four priority areas: 1) Student Leadership Programs; 2) College Support Programs; 3) Teacher Quality: Recruitment, Retention and Relationships; and 4) Mental Health, Nutrition & Wellness.

**Principals (PAC Survey):** Critical Departments are Buildings and Grounds, Custodians, Special Education, Talent and Linked Learning; reduce other depts that are less critical

**Other Staff & Community (Community Survey):** Prioritize staff retention, equity and class size. Rate top central function as maintaining clean and safe school facilities. Encourage maximizing percentage of funds directed to school budgets

# BP 3150: Maximizing Unrestricted Funds

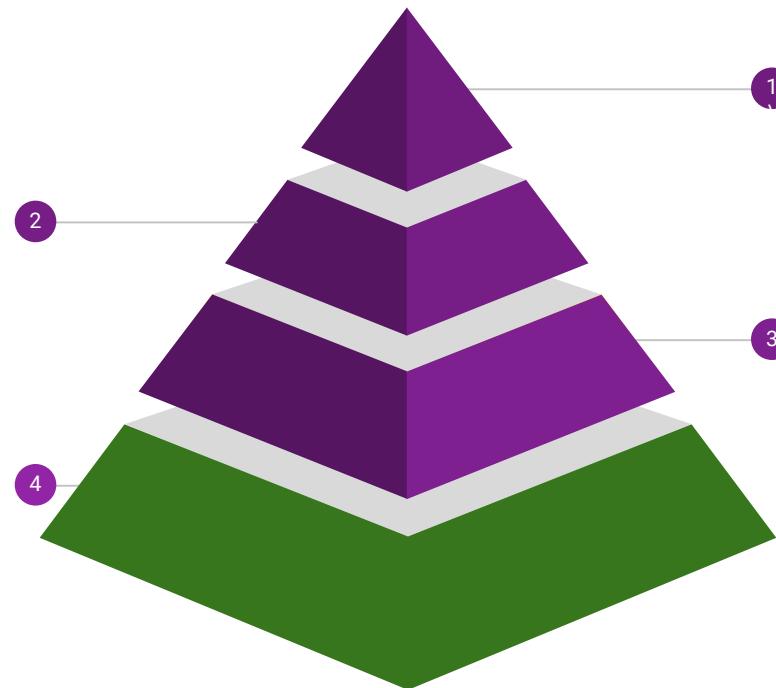
## 12% for District-Wide Administrative Services

12% = For example: Indirect admin costs, both mandatory expenses and commitments

## All Remaining Unrestricted Revenue to School Sites

Based on the projected student enrollment and the following:

1. Gradespan
2. Free & Reduced Lunch
3. English Learners
4. Foster Care
5. high-stress neighborhoods



## Legally Required District-Wide Obligations

For example: State Loan Audit Findings, etc.

## Specific Services to Schools

Named Services:

1. Special Education
2. Custodial and Buildings & Grounds
3. School Police & School Security Officers
4. School Nurses
5. School Counselors
6. Specified Enrichment Resources (i.e. summer school, music, art)

# **What are we committed to not reducing?**

# BP 3150: 2018-19 Use of Unrestricted General Funds

**~\$413M total (including ~\$77M of S&C )**

**NOTE: Preliminary Numbers; Subject to revision**

1. Legally Obligated Expenses	2. Central District wide Administrative Costs (12% Cap \$49.8M)	3. Specified Central Services to School Sites	4. School Site Budgets
<b>~\$29M No Reductions</b>	<b>~\$59M (incl. ~\$17M S&amp;C) Substantial Reductions</b>	<b>~\$98.6M ( incl. ~\$22M S&amp;C) No Reductions to Services</b>	<b>~\$230M (incl. ~38M S&amp;C) Limited Reductions</b>
-State Loan (~\$6.5M) -Audit Findings (~\$5.5M) -Routine Repair & Maintenance (~\$17M)	e.g. finance, human resources, performance management, instructional services, legal services, district leadership	1. Special Education 2. Custodial and Buildings & Grounds 3. School Police & School Security Officers 4. School Nurses 5. School Counselors 6. Specified Enrichment Resources (i.e. summer school, music, art, nutrition services, athletics)	1. Gradespan 2. Free & Reduced Lunch 3. English Learners 4. Foster Care 5. High-stress neighborhoods

# Committed Investments

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- Certificated Classroom Teachers (Theory of Action)
- 3150-specified Central Services to Sites (BP 3150, Survey Data)
- Legal Obligations & Mandatory Services (BP 3150)
- \$77M on Supports to Students Identified in LCAP (Ed Code)

# Breakdown of 3150-Specified Central Service to Schools (No Reductions)

Category	Amount	Notes
1. Special Education	~\$78.0M	includes Transportation
2. Custodial and Buildings & Grounds	~\$7.8M	Site Custodians included in Site budgets
3. School Police & School Security Officers	~\$2.7M	(Site SSOs included in site budgets)
4. School Nurses	~\$3.0M	includes additional health services
5. School Counselors	~\$3.6M	24 in linked learning budget, 14 in ssc, 4 in school site budgets
6. Specified Enrichment Resources (i.e. summer school, music, art, nutrition services, athletics)	~\$3.5M	includes Nutrition contribution; Summer programs (937); and athletics.
<b>Total</b>	<b>~\$98.6 M</b>	Unrestricted funds only

# Breakdown of 3150-Unrestricted Districtwide Central Administrative Costs

Category Based on Function Codes	Amount	Notes
General Administrative Costs- Business Operations	~\$29.5M	Unrestricted Funds (General Purpose)
General Administration - Educational Services	~\$12.6M	Unrestricted Funds (General Purpose)
	~\$17.4M	Unrestricted Funds (LCAP Supplemental and Concentration Funds)
<b>Total Central GP Available for Possible Reallocation &amp; Reductions</b>	<b>~\$42.1M</b>	Excludes 17.4M of Supplemental & Concentration

## **Recommended Reduction Scenarios and Potential Impact**

- What are the current summary of the reduction options that have already been identified?
- What are the possible scenarios for budget reductions for 19-20?
- What are the potential impacts to school sites and central office with the proposed reductions?

**What is the current summary of the reduction options that have already been identified?**

# Updated Multi-Year Summary of Identified Reductions to Date

## Currently Estimated Ongoing Cost Savings, Reductions & Revenue Increases

<b>Estimated 4 Year Cumulative Savings</b>				
<b>Category 1:</b> *Increase Revenues	\$1,300,000	\$1,900,000	\$2,100,000	\$2,300,000
<b>Category 2:</b> *Decreased Spending				
Central	\$7,000,000	\$7,000,000	\$7,000,000	\$7,000,000
Sites	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Other	\$365,000	\$1,570,000	\$1,570,000	\$1,570,000
<b>Category 3:</b> *Costs Savings	\$831,000	\$6,750,000	\$8,150,000	\$8,250,000
<b>Revised Totals</b>	<b>**\$12,496,000</b>	<b>\$20,220,000</b>	<b>\$21,820,000</b>	<b>\$22,120,000</b>

\*See Appendix for details

\*\*Additional Central Administration Support FTE Reductions have been identified, if needed, to meet the Board's June 27 Resolution Reduction Target of \$30 Million

# Proposed Staffing and Site Discretionary Reductions

The majority of proposed reductions will come from reductions/realignment in central office services and reduction to discretionary funding to schools.

**Central Office Departments:** \$7 million of reductions to Central Office FTE.

- **Superintendent Division:** -\$1.4M (~11FTE)
- **Academic Services Division:** -\$2.8M (~21.5FTE)
- **Operations Division:** -\$2.8M (~21.5FTE)

**School Sites:** \$3M of reductions from discretionary funds provided to schools.

- Schools to determine what expenditures to reduce
- Reductions to discretionary funds will be done consistent with values on equity.

**Note:** Division leaders are leading realignment within their Division with consultations across divisions to ensure that FTE reductions are based on a reorganization and not a percentage cut per department.

# School Site Discretionary Funding Reductions

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The reduction across all school sites totals \$3 million. The reduction will be made from discretionary funds provided to schools and calculated on a per pupil basis.

This reduction method is the same as used in recent years in collaboration with school leaders.

Grade Span	Per Pupil Reduction
Elementary	(\$58)
Middle	(\$75)
High School	(\$100)
K-8	(\$67)
6-12	(\$88)

**What are our scenarios for reductions that include the board directive to reach a 3% reserve and budget for new investments for the next two years?**

# New Investments Would Require Further Reductions

Desired new investments are not contemplated in current reduction targets and would require further revenue increases and/or spending reductions with consideration of whether it is a one-time or on-going allocation. Example investments include:

1	Charter Office Expansion	~\$300,000	On-going
2	Blueprint School Site Supports	~\$200,000	One-time
3	8 period Day	~\$8,800,000	On-going
4	Teacher salary to median	~\$36,000,000+	On-going
5	Asset Management Cost (Bond Election, 7-11 Committee Support, Updated Facilities Master Plan	~\$1,000,000	One-time
6	Custodial Services Increase	up to ~\$1,000,000	On-going

Consideration of New Investments will be addressed as part of the 2019-20 Budget Development Process once OUSD has more information regarding State budget decisions, proposed reductions and funding availability

# Reduction Scenarios - Assumption for New Investments

	Assumptions	2019/20 Reduction	2020/21 Reduction
<b>Scenario A (Current Reality)</b>	<ul style="list-style-type: none"><li>● Level of New Investments - moderate</li><li>● 18-19 Reserve: 2.25%</li><li>● 19-20 Reserve: 3.17%</li><li>● 20-21 Reserve: 3.06%</li></ul>	\$17.3M	\$0
<b>Scenario B</b>	<ul style="list-style-type: none"><li>● Level of New Investments - moderately aggressive</li><li>● 18-19 Reserve: 2.25%</li><li>● 19-20 Reserve: 3.52%</li><li>● 20-21 Reserve: 3.01%</li></ul>	\$21.5M	\$0
<b>Scenario C</b>	<ul style="list-style-type: none"><li>● Level of New Investments - aggressive</li><li>● 18-19 Reserve: 2.25%</li><li>● 19-20 Reserve: 4.30%</li><li>● 20-21 Reserve: 3.03%</li></ul>	\$30.2M	\$0

# 2019-20 Central Reductions Based on Three Scenarios

Level of New Investments Scenarios	School Sites	Required Central Reductions	Superintendent (inc. HR, Facilities, Equity, Communications and other)	Academic Support @40%	Operations Support @40%
<b>Already Identified</b>	\$3.0 M	\$7.0 M	\$1.4 M (FTE 11.6)	\$2.8 M (FTE 23.3)	\$2.8 M (FTE 23.3)
<b>Scenario A:</b> Moderate Increase <b>(Current Reality)</b>	\$3.0M (no additional reductions)	\$14.3 M	\$2.860 M (FTE 23.8)	\$5.720 M (FTE 47.6)	\$5.720 M (FTE 47.6)
<b>Scenario B:</b> Moderately Aggressive Increase	\$3.0M (no additional reductions)	\$18.5 M	\$3.7 M (FTE 30.8)	\$7.4 M (FTE 61.6 )	\$7.4 M (FTE 61.6)
<b>Scenario C:</b> Aggressive Increase	\$3.0M (no additional reductions)	\$25.1 M	\$5.02 (FTE 41.8)	\$10.0 M (FTE 83.3)	\$10.0 M (FTE 83.3)

**What are the Tradeoffs based on the Proposed New Investment Scenarios and Maintaining a Proposed 3% Ending Fund Balance?**

# 2019-20 Reductions to Central Admin Costs Impact

After removing services enumerated in BP3150 (e.g. Custodial), there is roughly \$42M left in unrestricted central services (excluding S&C). A reduction of over half of the remaining FTE (a 250+ FTE reduction) would be necessary to reach the \$30M target. Such a reduction would both eliminate unrestricted funding to programs core to our Mission/Vision and severely undermine our ability to maintain the fiscal and operational solvency that is a purpose of reductions. (see [Staffing](#))

## Core services severely impacted:

- **Personnel** - recruitment, staff assignment, payroll with further risk to basic staffing and retention
- **Financial oversight** - budget development, spending compliance & oversight, financial reporting further delayed, more error with less control on overspending or audit findings
- **Technology** - elimination of software and training that increase efficiency in all areas of operation

## Mission/Vision-aligned services severely impacted:

- **Academic supports** - student data, analysis and curriculum support eliminated or undermined as well as wrap-around services to support student & family engagement in education
- **Network supports** - network supports to schools

# 2019-20 Reductions to Central Admin Costs Impact

Statutory, contractual and board-directed responsibilities could be impacted without efforts to protect needed resources from cuts. Each of these is already an area of past or current strain on District resources.

## Mandated responsibilities:

- **Financial reporting** - to state, county, auditors
- **Staff assignment and processing** - extensive rules about assigning staff to temporary and permanent roles, including adjustment in hours and pay and management of support of personnel committees
- **Curriculum & textbook compliance** - curriculum adoption and *Williams* requirements
- **Student Intervention support**- district wide coordination of student academic and behavioral supports
- **Student testing support**- state testing requirements, transcripts
- **Enrollment support** - administration of the District policies of school selection by families

## **Assembly Bill 1840**

What are the implications of AB 1840 and can we count on this funding to provide a bridge or soft-landing as we implement a long-term multi-year plan for budget reductions?

# AB 1840 Questions and Considerations

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## Framework - What is AB 1840?

- To achieve fiscal stability for OUSD, the State Assembly passed AB 1840 to provide three years of relief funding to the district.
- This funding is intended to assist OUSD in addressing its ongoing deficit, and to provide time and space required for implementing strong and consistent fiscal controls to ensure the necessary resources to serve the students of Oakland.
- The process outlined in AB 1840 includes an oversight partnership with the Alameda County Office of Education (ACOE), FCMAT, the California Department of Education (CDE), State Board of Education (SBE), Department of Finance (DOF), and State Legislature.

# AB 1840 Questions and Considerations (cont.)

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## Will AB 1840 fix the district's structural deficit?

- AB 1840 is designed to provide a one-time allocation of funding based on the district's projected deficit at a rate of up to 75% for Year 1 (FY 2019-20), up to 50% for Year 2 (FY 2020-21), and up to 25% for Year 3 (FY 2021-22).
- The one-time allocation provides a bridge of funding so that OUSD can develop a more balanced, sustainable, and long-term solution to our fiscal deficit.
- It is the State's intent that our budget will be balanced once this bridge funding expires.

# AB 1840 Questions and Considerations (cont.)

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## Is funding under AB 1840 Guaranteed?

- Based on the District's numerous discussions with State and County Officials, it is our understanding that the funds are not guaranteed and are subject to an intensive review process.
- For example, in Year 1, the final funding recommendation could be zero funding to the full 75% allocation.
- In a recent Legislative Analyst Report (LAO), the LAO has recommended that the State Legislature rescind the authorization of a special grant to OUSD and Inglewood USD provided by AB 1840 and provide a loan deferral as a better public policy goal.

## **Reimagining OUSD**

- What is our vision for re-imaging our district?
- How does the Community of Schools Citywide Plan influence our future vision?
- How are we redesigning central office in support of schools?

**What is our vision for re-imaging our district?**

**How does the Community of Schools Citywide Plan influence our future vision?**

# Our Mission and Vision Ground Us

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**Mission:** To become a **Full Service Community District** focused on high academic achievement while serving the whole child, eliminating inequity, and providing each child with excellent teachers, every day.



**Vision:** All OUSD students will find joy in their academic learning experience while graduating with the skills to ensure they are caring, competent, fully-informed, critical thinkers who **are prepared for college, career, and community success.**

**Quality - Equity - Access - Fiscal Sustainability**

# Community of Schools Policy (BP 6006)

**A Citywide Plan** grounded in policy: Asset Management, Charter Authorization, Enrollment, Equity, Results Based Budgeting, School Governance, and Quality School Development

A	Facilities	Best leverage vacant, underutilized, and <b>surplus properties</b> and utilize <b>facility use agreements</b> to strategically engage all Oakland public schools-district or charter; identify <b>high quality options for academic programs</b>
B	Enrollment & Transportation	Work with all Oakland public schools district or charter - to better articulate <b>feeder patterns</b> across Oakland to ensure more predictability for families.
C	Charter Authorization	Strengthen our role in <b>oversight and accountability</b> to ensure that all charter schools operating in Oakland are providing a high quality education and working to address inequities.
D	Access to Equitable & Quality Education for all	Share <b>best practices across all Oakland publics schools</b> , (e.g., professional development, recruitment and retention of educators) that improve equitable educational access for all Oakland students.
E	Defined Autonomies	Best support <b>continued innovation</b> within OUSD schools and accelerate the number of high-quality school options within OUSD

# Citywide Plan Considerations

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## Quality & Equity

- We need better quality programs in every neighborhood for every student
- We need to identify quality metrics to be used for district and charter schools alike
- We need to provide ongoing support for school improvement to all OUSD and Charter schools

## Equity & Access

- We need access to quality schools closer to home
- We need regional feeder patterns from pre-K through high school

## Fiscal Vitality & Sustainability

- We need fewer, better resourced schools with larger enrollment
- We need to build sustainable relationships with charter schools in our city

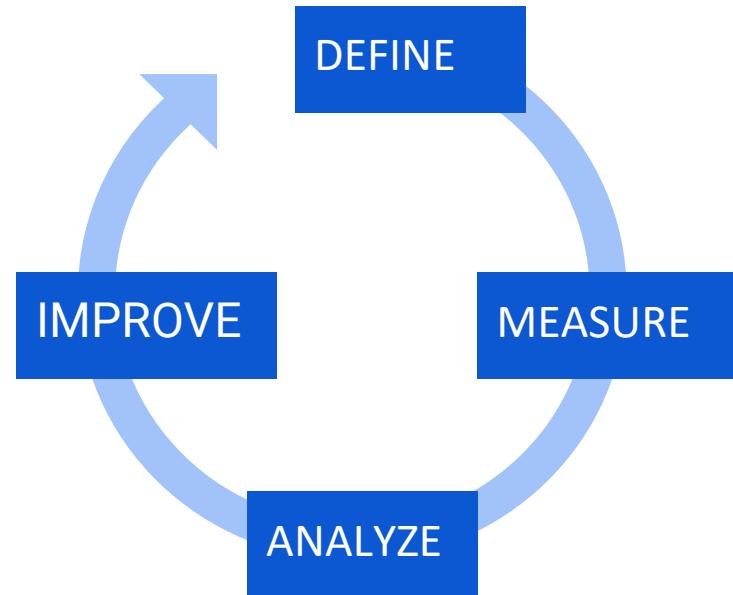
**How are we redesigning central office in support of schools?**

# Purpose of Central Office: Continuous Improvement

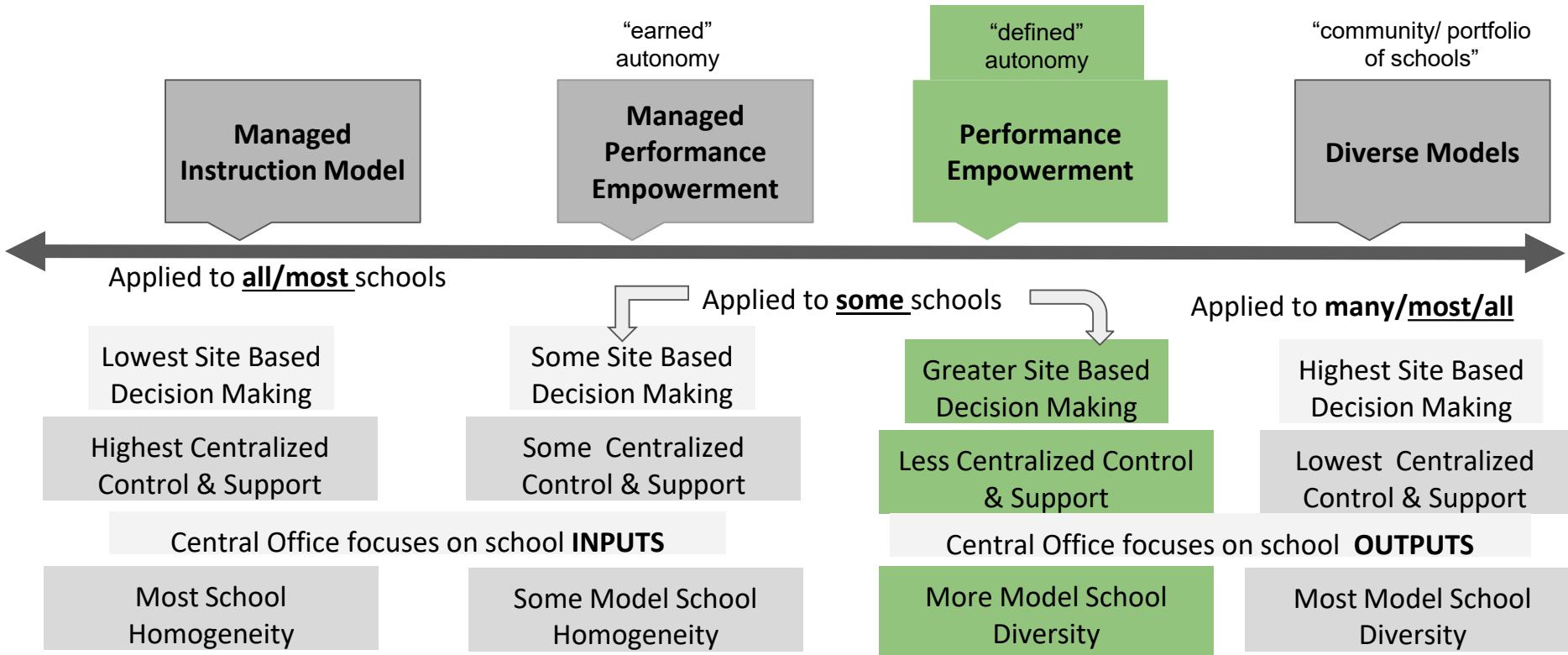
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To achieve the goal of **improving student outcomes** and **increasing school quality** across the district...

Central Office must focus on **continuous improvement** to support school site capacity and improve the quality of services to networks of schools.



# Continuum of Central Office Theories of Action for Supporting School Sites



Adapted based on Katzir and McAdams: The Redesign of Urban School Districts: Case Studies in Urban School Governance (2013)

# Discussion and Recommendation

	Level of Investments	2019/20 Reduction	2020/21 Reduction	FTE Loss	Rationale
Scenario A  (Current Reality)	<p><b>Moderate</b></p> <ul style="list-style-type: none"> <li>● 18-19 Reserve: 2.25%</li> <li>● 19-20 Reserve: 3.17%</li> <li>● 20-21 Reserve: 3.06%</li> </ul> <p><b>Administration Recommendation</b></p>	\$17.3M	\$0	119	<ul style="list-style-type: none"> <li>- Allows for all currently committed investments to be funded;</li> <li>- Allows for fund balance reserve of 3% beginning in FY 2019-20;</li> <li>- Allows for a more balanced approach to Central Office Reductions;</li> <li>- Central Site Supports will be strained but manageable;</li> </ul>
Scenario B	<p><b>Moderately Aggressive</b></p> <ul style="list-style-type: none"> <li>● 18-19 Reserve: 2.25%</li> <li>● 19-20 Reserve: 3.52%</li> <li>● 20-21 Reserve: 3.01%</li> </ul>	\$21.5M	\$0	154	This option would provide for slightly more increases in investments but without a decision to further expand reductions to sites and other hold-harmless support functions, Central Site Support functions would become diminished, inefficient, and ineffective.
Scenario C	<p><b>Aggressive</b></p> <ul style="list-style-type: none"> <li>● 18-19 Reserve: 2.25%</li> <li>● 19-20 Reserve: 4.30%</li> <li>● 20-21 Reserve: 3.03%</li> </ul>	\$30.2M	\$0	208	This option would provide for substantial increases in investments but without cuts to sites or other hold-harmless functions, most Central Site Support basic functions would be severely depleted and in many cases become non-existent.

All Scenarios include the original \$3 Million in site reductions

# 2019-20 Budget Reduction Process Timeline (Key Activities)

**Dec-January**

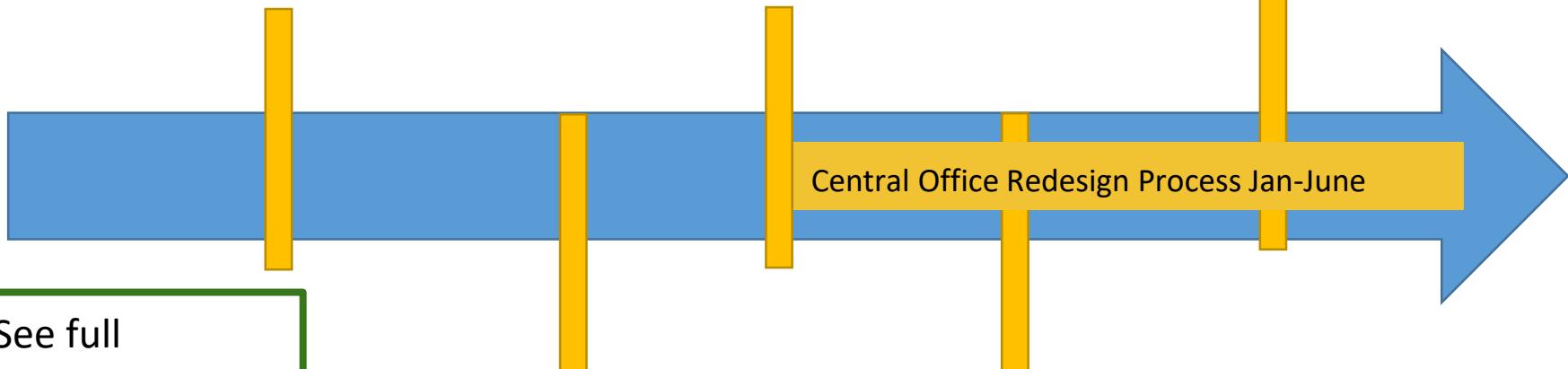
Stakeholder Leadership  
Engagement on final  
Budget Reduction Plan

**January 23, 2019**

Update Budget Reduction Target  
Resolution Based on First Interim  
and Governor's Proposed Budget

**February 2019**

Board Approved  
Reduction Plan  
Submitted to ACOE



See full  
Budget, Talent  
and School Site  
Planning  
Timeline [here](#).

**January 9, 2019**  
Board Reviews 1st Read of  
Budget Reduction  
Recommendations

**January 30, 2019: Special  
Meeting**  
Board Finalizes and Adopts  
Recommended Reductions





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[www.ousd.org](http://www.ousd.org)



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# **APPENDIX**

# **Staffing Info**

# Overall Staffing Overview\*

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Division	Unrestricted FTEs (Includes S&C)	Restricted FTEs (Exempt)
Superintendent	447.4	95.5
Academics	347.3	465.7
Operations	114.3	8.5
School Sites	2,237.4	904.3
<b>Totals</b>	<b>3146.4</b>	<b>961.0</b>

\*Based on October 2018 information shared with the Fiscal Vitality Committee November 8, 2018. Some positions are funded by S&C and are treated differently in assessing potential reductions.



# Staffing Overview – Office of the Superintendent

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Site	Department Name	2018-19 Personnel	
		Unrestricted FTE	Restricted FTE
901	Chief of Staff	4.5	1.5
906	Ombudsman	0.0	0.0
918	Facilities Planning	0.0	0.0
929	Office Of Equity	17.5	4.5
940	Board Of Education	10.0	0.0
941	Office Of The Superintendent	5.0	0.0
942	Labor Relations	0.0	0.0
944	Human Resources Services - Talent	46.9	9.4
946	Legal Counsel	7.0	0.0
947	Charter Schools Office (admin)	5.0	0.0
958	Communications	19.5	1.1
988	Buildings & Grounds	9.0	79.0
989	Custodial Services	222.0	0.0
994	OUSD Police Department	101.0	0.0
		447.4	95.5

Custodial Services and Police services are core services enumerated in BP3150. While efficiencies are always welcome, no reduction is sought.



# Staffing Overview – Academic Services

Site	Department Name	2018-19 Personnel	
		Unrestricted FTE	Restricted FTE
903	Office Of Chief Academic Office	4.0	0.0
909	Academic Innovation	86.1	62.9
910	Early Childhood Development	18.0	20.6
912	Linked Learning	17.8	24.4
921	Office Of Post Secondary Reading	0.0	0.0
922	Comm. Schools & Student Services	72.5	78.6
923	Elementary Network 4	3.3	2.5
928	Opsr Counseling	43.0	0.0
932	Jr Reserve Off Training Corp	0.0	1.0
933	Oakland Athletic League (OAL)	2.0	0.0
937	Summer Programs	0.0	0.0
948	Research Assessment & Data	27.3	2.2
954	Eng Lang Learner/multilingual Ach.	5.8	27.3
961	Pre K-5 Network 1	0.0	0.0
962	Pre-k-5 Network 2	3.0	0.0
963	Pre-k-5 Network 3	3.0	0.0
964	High School Network	14.9	4.6
965	Middle School Network	1.0	1.8
968	Health Services (nurses)	37.0	2.6
975	Special Education	8.6	237.2
		<b>347.3</b>	<b>465.7</b>

- Health Services, Counseling Services and Special Education Police services are core services enumerated in BP3150. While efficiencies are always welcome, no reduction is sought.
- Academic Services has more positions funded by Restricted than Unrestricted Funds



# Staffing Overview – Operations

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902	Accounts Payable
905	Office Of Sr. Business Officer
907	Student Assignment
913	Chief Of Operations
936	Accounting
949	Office Of The Internal Auditor
950	State And Federal Programs
951	Budget
979	Printing And Mail Services
980	Chief Financial Officer
983	Payroll
986	Technology Services
987	Risk Management
990	Procurement & Distribution
991	Food Service
992	Warehouse Distribution
995	Transportation

2018-19 Personnel	
Unrestricted FTE	Restricted FTE
6.0	0.0
2.2	0.0
15.4	0.7
0.0	0.0
9.9	0.4
0.0	0.0
0.5	6.5
15.2	0.6
3.0	0.0
2.0	0.0
10.0	0.0
36.0	0.0
1.0	0.0
3.0	0.0
0.0	0.3
8.1	0.0
2.0	0.0
114.3	8.5

Operations has very few positions funded by Restricted Funds as many functions are mandatory or related to compliance with law, contract or Board policy.



# **Budget Reduction Plan Detail**

# Multi-Year Budget Reduction Plan

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- Increase Revenues (Category 1)
- Decrease Spending (Category 2)
- Implement Costs Savings (Category 3)

**Goal:** Make necessary adjustments to create and maintain a balanced budget where ongoing revenues meet or exceed ongoing expenditures. All adjustments intended to be ongoing.

# Category 1 - Increased Revenues

## Estimated Ongoing Revenue Increases

Options	FY 2019-20 (Year 1)	FY 2020-21 (Year 2)	FY 2021-22 (Year 3)	FY 2022-23 (Year 4)
Facilities Rental Redesign <b>NNR</b>	\$800,000	\$1,100,000	\$1,200,000	\$1,300,000
Saturday School District-wide Optional Implementation (ADA) <b>NNR</b>	\$500,000	\$800,000	\$900,000	\$1,000,000
<b>Sub-Total Category 1</b>	<b>\$1,300,000</b>	<b>\$1,900,000</b>	<b>\$2,100,000</b>	<b>\$2,300,000</b>

Note: NR = Negotiation Required / NNR - Negotiation Not Required

# Category 2 - Decreased Spending Plan (cont.)

## Estimated Ongoing Spending Decreases

Options	FY 2019-20 (Yr. 1)	FY 2020-21 (Yr. 2)	FY 2021-22 (Yr. 3)	FY 2022-23 (Yr. 4)
Reduce Energy/Utilities Costs <b>(NNR)</b>	\$150,000	\$300,000	\$300,000	\$300,000
Consolidate Printing Costs Across the District (Phase 1 – Copy Supplies, Toner) <b>(NNR)</b>	\$65,000	\$120,000	\$120,000	\$120,000
Consolidate Printing Costs Across the District (Districtwide Lease) (Phase 2) <b>(NNR)</b>	\$0	\$1,000,000	\$1,000,000	\$1,000,000
<b>Sub-Total Category 2 (cont.)</b>	<b>\$215,000</b>	<b>\$1,420,000</b>	<b>\$1,420,000</b>	<b>\$1,420,000</b>

Note: NR = Negotiation Required / NNR - Negotiation Not Required

# Category 2 - Decreased Spending Plan

## Estimated Ongoing Spending Decreases

Options	FY 2019-20 (Year 1)	FY 2020-21 (Year 2)	FY 2021-22 (Year 3)	FY 2022-23 (Year 4)
Reduce Central Staffing <b>(NNR)</b>	\$7,000,000 <i>(ongoing from 2019-20, not additional cuts)</i>	\$7,000,000	\$7,000,000	\$7,000,000
Reduce Site Discretionary <b>(NNR)</b>	\$3,000,000 <i>(ongoing from 2019-20, not additional cuts)</i>	\$3,000,000	\$3,000,000	\$3,000,000
Eliminate Vacant Positions Districtwide <b>(NNR)</b>	\$150,000 <i>(ongoing from 2019-20, not additional cuts)</i>	\$150,000	\$150,000	\$150,000
<b>Sub-Total Category 2</b>	<b>\$10,150,000</b>	<b>\$10,150,000</b>	<b>\$10,150,000</b>	<b>\$10,150,000</b>

Note: NR = Negotiation Required / NNR - Negotiation Not Required

# Category 3 - Cost Savings Plan

## Estimated Ongoing Cost Savings

Options	FY 2019-20 Year 1	FY 2020-21 Year 2	FY 2021-22 Year 3	FY 2022-23 Year 4
Districtwide Telephone Consolidation (NNR)	\$500,000	\$3,000,000	\$4,500,000	\$4,500,000
Supplemental Early Retirement Program (NNR)	\$0	\$1,800,000	\$1,300,000	\$900,000
School Consolidations and Closures (NNR)	\$81,000	\$1,200,000	\$1,600,000	\$2,100,000
Explore Opportunities to Leverage Restricted Dollars to Support GF (NNR)	\$250,000	\$250,000	\$250,000	\$250,000
<b>Sub-Total Category 3</b>	<b>\$831,000</b>	<b>\$6,250,000</b>	<b>\$7,650,000</b>	<b>\$7,750,000</b>

Note: NR = Negotiation Required / NNR - Negotiation Not Required

# Scenario A - Moderate Increase (\$17.3 Mil. Reduction Beginning FY 2019-20)

Currently Estimated Ongoing Cost Savings, Reductions & Revenue Increases

<b>Estimated 4 Year Cumulative Savings</b>				
<b>Category 1:</b> Increase Revenues	\$1,300,000	\$1,900,000	\$2,100,000	\$2,300,000
<b>Category 2:</b> Decreased Spending	\$10,365,000	\$11,570,000	\$11,570,000	\$11,570,000
<b>Category 3:</b> Costs Savings	\$831,000	\$6,750,000	\$8,150,000	\$8,250,000
<b>Revised Totals</b>	<b>\$12,496,000</b>	<b>\$20,220,000</b>	<b>\$21,820,000</b>	<b>\$22,120,000</b>